

March 17, 2008

Susan M. Hudson, Clerk
Vermont Public Service Board
112 State Street
Montpelier, VT 05620-2701

Re: EEU Structure Working Group -- Comments of the EEU Advisory Committee

Dear Susan:

The Energy Efficiency Utility Advisory Committee (“Committee”) offers the following comments in relation to the Public Service Board’s (“PSB” or “Board”) workshop discussions regarding potential changes to the current Energy Efficiency Utility (EEU). As the workshops progressed, the Committee determined that it should comment on the subject of its own role in a new structure as contemplated in the *Draft Recommendation for a New Efficiency Utility Structure* (“Draft Recommendation”). These comments serve to inform the Board and the workshop participants of the consensus of the engaged members of the Committee.

As you know, the Committee was created from the Memorandum of Understanding signed by many parties to Docket 5980 and approved by the Public Service Board at the inception of the EEU. The Committee has provided ebbs and flows of value, at times unsure of its purpose and at others actively engaged in providing constructive feedback to the EEU and PSB. Going forward, it is important to ensure the usefulness of the Committee through active participation and clear sense of purpose. Further, the Committee should provide value to the entity it serves, by engaging a wide range of political, social, and technical interests.

The *Draft Recommendation* outlines the framework of the Committee under a new working structure, including objectives, expectations, and membership in Part I, section 4. The Committee has systematically reviewed each provision in this section, and has developed some recommended modifications to the proposal. A revised Part I, section 4 reflecting the discussions of the committee is included with this letter. Some of the significant changes and areas the Committee discussed at length are mentioned below.

Who the Committee will serve:

As envisioned in the *Draft Recommendation*, the committee agrees that it would, in a new structure, provide advice and comment solely to the EEU. The current dual role providing informal comment to the Board as well as reviewing EEU plans and reports and providing advice to the EEU would create a conflict of interest in an “appointment” model, and the Committee as contemplated would continue in the spirit of the structuring the EEU more similarly to a utility.

At this point, it is envisioned by the Committee that there would be one Committee to serve all EEUs to avoid redundancy. However, this assumption could be revised in time if necessary.

Member Appointment Process:

The current Committee appointment process includes a nomination from the Committee to the Board Chairman, who then appoints a nominee after consultation with other Board members. Under a new structure, this method would not be practical nor desirable. The Committee, in its revision of the *Draft Recommendation*, has proposed that the EEUs appoint all members of the Committee. The Committee feels that it is in the best interest of the EEUs to appoint their own Advisory Committee – this allows for accountability of the EEU should poor Committee advice be followed.

The current framework of the Vermont system Planning Committee (VSPC) was discussed in this context; the Committee agreed that for the purposes of the EEU Advisory Committee, this method was too prescriptive and unnecessary.

Range of perspectives on the Committee:

The *Draft Recommendation* proposes a mix of prescribed representatives with some leeway for EEU choice. The Committee feels that this proposal is too prescriptive – that it is in the EEUs interest to select a broad range of interests in order to solicit more valuable feedback. The revised proposal includes general representation requirements, but lists no entity by name and allows for greater EEU flexibility in selecting members who may best serve the Committee.

The current EEU Advisory Committee members believe the EEU Structure Work Group has been engaging in an important, valuable process to determine the structure that will best provide efficiency programs to Vermont's electric ratepayers. The Committee appreciates the opportunity to comment on a specific and important piece of the discussions.

Sincerely,



Frank Cioffi
Chair, EEU Advisory Board

cc: *EEU Structure Working Group service list*
EEU Advisory Committee service list

En: *Revised "Draft Recommendation"*
EEU Advisory Committee Member list